



EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	X-ELIO LORCA SOLAR PV FARM
<u>Promoter or financial intermediary</u>	X-ELIO ENERGY SL
<u>Country of implementation</u>	Spain
<u>Summary project description</u>	The Project consists of a solar PV plant, with a total capacity of ~380 MWp (320 MWac), as well as the ancillary infrastructure for the interconnection to the grid (including a 38 km 400 kV aerial power line). The Promoter decided to develop the project on a full merchant basis, without applying to any form of subsidy or support scheme. In order to allow the bankability of the operation, it intends to sign a Power Purchase Agreement (PPA), to secure certain revenues, with a counterpart acceptable to the Bank.

¹ This Scoreboard of indicators reflects the information presented to the EFSI Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision. Parts of this document that fall under the exceptions for disclosure defined by the EIB Group Transparency Policy, notably under the articles 5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	High
Cross-cutting objectives	
Climate Action	100.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion	100.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities	100.00%
Expansion of the use or supply of renewable energy	100.00%

Pillar 2

Quality and soundness of the project	Good
1. Growth	[...]
2. Promoter capabilities	[...]
3. Sustainability	[...]
4. Employment	[...]

This pillar evaluates the quality and soundness of the operation. This pillar is composed of four indicators which include:

- (i) "Growth" i.e. for example and where relevant the economic rate of return ('ERR'), which considers the project's socioeconomic costs and benefits, including its spillover effects;*
- (ii) "Promoter capabilities" i.e. the capacity of the promoter/intermediary to implement the project and create the expected impact at the [final] beneficiary level;*
- (iii) "Sustainability" i.e. environmental and social sustainability²;*
- (iv) "Employment" i.e. the project's direct employment effect.*

Pillar 3

EIB Technical and financial contribution to the project	Significant
1. Financial contribution	[...]
2. Financial facilitation	[...]
3. Advice	[...]

This pillar measures the EIB's particular contribution to the project and its financing scheme in the form of financial and non-financial benefits which go beyond what commercial players would normally be able to offer. This dimension of value added is assessed through three indicators:

- (i) "Financial Contribution" i.e. improving the counterpart's funding terms compared to market sources of finance (interest rate reduction and/or longer lending tenor),*
- (ii) "Financial Facilitation" i.e. helping to attract private financiers (for example through positive signaling effects), promoting synergies in co-financing with other public sources of funds including National Promotional Banks or EU financial instruments,*
- (iii) "Technical Contribution and Advice" i.e. providing advice with a view to optimizing the financing package (financial structuring), or technical advisory services in the form of expert input / knowledge transfer – provided in-house by the EIB or in the form of assignments to external consultants – to facilitate the preparation or implementation of a project.*

² For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website.

Pillar 4 – Complementary indicators

Additionality

In line with the EFSI objective of developing the energy sector in accordance with the Energy Union priorities, the operation will expand the use and supply of renewable energy in Spain. As the project is located in Murcia, a region eligible under the EU Cohesion Policy, the operation will also contribute to the Union priorities on convergence and social cohesion. The operation relates to the financing of one of the largest solar Photovoltaic (PV) plants in Europe, contributing thus to climate action objectives and more importantly helping Spain in achieving its objective of generating 20% of primary energy using renewable sources by 2020, in line with its nationally binding EU targets under the Renewable Energy Directive.

The project addresses a sub-optimal investments situation in the renewable energy sector in Spain and at the same time accompanies a major market shift in the financing of renewable energy assets, i.e. towards project finance structures based on Power Purchase Agreements (PPA). In Spain, the PPA market is still incipient, and this project will be one of the first to be implemented under this novel scheme. Thanks to EFSI, the EIB supports the evolution of the Spanish renewable energy market model from one dependant on public subsidies to one based on competition, more developed technologies and a wider range of promoters. Nevertheless, the uncertainty associated with the new regulatory framework, and in particular the exposure of the project to electricity price risk, create uncertainty regarding the funding of such type of projects. Hence, thanks to EFSI, the availability of long-term non-recourse debt financing by EIB will be crucial to bridge the gap, thus ensuring project viability.

This transaction would be one of the first PV plants to be financed by the EIB in Spain, the first EIB project with the promoter and one of few to be instrumented through a project finance structure without recourse to regulated revenues. Due to these underlying risks and partial market exposure, the EIB direct loan to the SPV will fall under Special Activity. The loan could not have been offered to the same extent by the EIB without the support of EFSI.

Being one of the first and biggest solar PV farms to be developed under such a novel scheme, thanks to EFSI, the operation entails important signaling and mobilisation effects on private sector investments both for this project and other renewable energy investments. The EIB also provides support in terms of structuring, working closely with the promoter and the PPA provider, in a rather innovative structure in the context of the Spanish market.

Set of indicators related to the macroeconomic environment

Spain - Economic environment

Economic Performance

	ES	EU	US	ES
	2016	2016	2016	2001-2007
GDP per capita (EUR, PPS)	26,818	29,440	42,615	26,562
GDP growth (%)	3,2	1,9	1,6	3,6
Potential GDP growth (%)	0,39	1,3	2,1	3,6
Output gap (% of potential GDP)	-1,8	-0,75	-0,03	2,9
Unemployment Rate (%)	18,4	8,2	4,7	10,0
Unemployment Rate (%) - Y/Y change (% points)	-2,3	-0,8	-0,3	-0,33
Bank-interest rates to non-financial corporations (%)	1,6	1,4	1,8	3,8
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0,41	-0,21	-1,4	-0,05
Investment rate (GFCF as % of GDP) - Total	19,9	19,7	19,6	28,7
Investment rate (GFCF as % of GDP) - Public	1,9	2,7	3,4	4,1
Investment rate (GFCF as % of GDP) - Private	18,0	17,0	16,2	24,6

Energy

	2013	2014	2015	2016	EU (latest available)
Energy consumption from renewables (%)	15,3	16,1	16,2	-	16,7
Energy consumption from renewables - distance to EU 2020 target (%)	4,7	3,9	3,8	-	3,3
Energy dependence (%)	70,4	72,9	-	-	53,5
Primary energy consumption (consumption in 2005 =100)	84,1	82,9	86,2	-	89,3
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	129,5	-	-	-	141,7
Primary energy consumption (Million Tonnes of Oil Equivalent)	114,3	112,6	117,1	-	1,530
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	-5,5	-7,2	-2,7	-	46,6

General Sector Indicators

	2013	2014	2015	2016	EU (latest available)
Value added in Electricity, gas, steam and air conditioning supply (% of total)	-	-	-	-	2,0
Employment in Electricity, gas, steam and air conditioning supply (% of total)	-	-	-	-	0,6

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

- EU value for "Bank-interest rates to non-financial corporations" corresponds to Euro Area average; Country average is the simple average between 2003 and 2007

- The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country

Other indicators³

Key project characteristics

	Expected at PCR
Start of works	01.09.2018
End of works	28.09.2019
Project investment cost	281.10 MEUR
EIB/EFSI eligible investment mobilised	272.00 MEUR
External EFSI multiplier	2.94
External EIB (non-EFSI) multiplier	0.00
Amount of private financing	96.10 MEUR
Quick start (% of expenditure during 2015-2018)	34.00 %
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc)	
Energy efficiencies realised	0.00 MWh/a
Climate Action indicator	100.00% Mitigation - Renewable Energy (transversal)
Employment during construction - temporary jobs	600 person years
Employment during operation - new permanent jobs	20 FTE

³ For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website. The abbreviation PCR stands for Project Completion Report.